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WALKER DIGITAL
2 HIGH RIDGE PARK
STAMFORD, CT 06905

EXAMINER	
CHAMPAGNE, DONALD	

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BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES

Application Number: 10642894

Filing Date: 18 August 2003

Appellant(s): Jay S. Walker et al.

Michael Downs, Esq., For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed 24 July 2006 appealing from the Office action mailed 19 July 2006.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings that will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection at the time of the final rejection is correct.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

The following is a listing of the evidence (e.g., patents, publications, Official Notice, and admitted prior art) relied upon in the rejection of claims under appeal.

Ring, Alfred A., "Real Estate Principles and Practices", 7th Ed. (Prentice Hall, Englewood Cliffs, NJ: 1972), pp. 65-86 and 317.

Abecassis, US005426281A, 20 June 1995.

Merriam-Webster's Collegiate Dictionary, 10th Edition (1997).

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims. This is a verbatim copy of the final rejection mailed on 19 July 2006.

DETAILED ACTION

Prosecution Reopened

1. A new non-final rejection follows. It differs materially from the non-final rejection mailed on 10 January 2006 in that the explanation of the rejection of claims 78 and 82 has been expanded (para. 6 below), and a new basis or rejection is used for claims 89 and 90 (para. 11 below).

Claim Rejections - 35 USC § 102 and 35 USC § 103

2. The following is a quotation of the appropriate paragraphs of 35 U.S.C. 102 that form the basis for the rejections under this section made in this Office action:

> A person shall be entitled to a patent unless –
>
> (b) the invention was patented or described in a printed publication in this or a foreign country or in public use or on sale in this country, more than one year prior to the date of application for patent in the United States.

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the manner in which the invention was made.

4. Claims 77, 78, 81 and 82 are rejected under 35 U.S.C. 102(b) as being anticipated by Ring.

5. Ring teaches (independent claims 77 and 81) a method for identifying potential buyers of real estate, comprising the steps of: receiving intent data from a potential buyer in the form of a proposed real estate contract of sale (pp. 71-73); determining the price of said real estate, which reads on a reward for the potential buyer based on the intent data, in

which the reward/price comprises money for the potential buyer[1]; receiving a payment identifier of a financial account in the form of a check for the amount of the deposit on contract/earnest money (pp. 76-77); issuing the reward to the buyer by transferring title to the property for the contract price at closing; and applying a penalty to the financial account of the potential buyer, in the form of keeping the potential buyer's deposit on contract/ earnest money, if the buyer does not purchase the real estate item within a particular time period. For claim 81, the confirmation signal is received at closing. For claim 81, Ring also teaches (p. 317) dropping the asking price to increase the *possibility of making a deal*, which reads on a reward offer based on a degree of certainty.

6. Ring also teaches claims 78 and 82. (At p. 76, Ring teaches that the earnest money deposit or penalty is proportional to the contract price. From this, with elementary algebra, the attached appendix shows that the deposit/penalty is a mathematical function of the reward, which reads on "takes into account a value of the reward".)

7. Claims 79, 80 and 83-88 are rejected under 35 U.S.C. 103(a) as obvious over Ring et al.

8. Ring et al. does not teach (claims 79 and 80) a partial penalty for purchase of a similar item. Such a situation occurs when the contract of sale was signed with a builder offering multiple properties, and the buyer wanted to change the property to be purchased. Because it would help the builder retain a satisfied customer, it would have been obvious to one of ordinary skill in the art, at the time of the invention, add a partial penalty for purchase of a similar item to the teachings of Ring et al.

9. Ring et al. does not teach (claims 83-85) a partial penalty for purchase after the particular time period. Since the contract of sale is a negotiated instrument, the seller may readily agree to proceed with a late sale for some additional consideration that would read on a partial penalty. Because it would enable both buyer and seller to conclude the agreement satisfactorily, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to add a partial penalty for purchase after the particular time period to the teachings of Ring et al.

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[1] There is a reward if the seller agrees to accept a price lower than the seller's listing price (p. 317). The difference between listing and contract prices is a discount that reads explicitly on money for the potential buyer, said discount to be received at closing.

10. Ring does not teach (claims 86-88) recursive negotiation of the contract terms (step (g) in claim 86). The contract of sale (pp. 71-73) has many blanks requiring specification. Because it is the most efficient means to have two parties come to agreement on these many unspecified details, it would have been obvious to one of ordinary skill in the art, at the time of the invention, to add recursive negotiation of the contract terms (step (g) in claim 86) to the teachings of Ring et al.

11. Claims 89 and 90 are rejected under 35 U.S.C. 103(a) as being unpatentable over Abecassis (US005426281A) in view of Ring. Abecassis teaches a central server system (*Transaction Protection System*, col. 3 lines 5-6, col. 4 lines 59-61 and Fig. 1A), comprising a processor (*computer(s)* at *deposit protection service center* ***40***, col. 5 lines 65-66 and col. 6 lines 17-18); a storage device coupled to the processor (*memory contained in the computer system of center* ***40***, col. 9 lines 8-10); and software operative to run on the processor to provide an escrow service: receiving a deposit from a potential a buyer of goods for future delivery, and release said deposit in accordance with the terms of an agreement (col. 3 lines 3-14). Abecassis does not teach issuing a reward to a potential buyer in exchange for demand information and charging a penalty to the financial account of the buyer. Ring teaches issuing a reward to a potential buyer in exchange for demand information and charging a penalty to the financial account of the buyer, when the agreement is a real estate contract of sale (para. 5 above). Because funds are commonly escrowed for real estate sales (Ring, p. 86) and Abecassis teaches an efficient and secure escrow management system (col. 2 lines 58-68), it would have been obvious to one of ordinary skill in the art, at the time of the invention, to combine the teachings of Abecassis and Ring et al.

(10) Response to Argument

1. Summary of Arguments

At this point it is helpful to consider the general basis of the rejection. The rejection is a consequence of applying the following principle: Unless a term is given a "clear definition" in the specification (MPEP § 2111.01), the examiner is obligated to give claims their broadest reasonable interpretation, in light of the specification, and consistent with the interpretation that those skilled in the art would reach (MPEP §

2111). An inventor may define specific terms used to describe invention, but must do so "with reasonable clarity, deliberateness, and precision" (MPEP § 2111.01.III).

The examiner believes that a "clear definition" must establish the metes and bounds of the terms. A clear definition must unambiguously establish what is and what is not included. A clear definition is indicated by a section labeled definitions, or by the use of phrases such as "by xxx we mean"; "xxx is defined as"; or "xxx includes, ... but does not include ...". An example does not constitute a "clear definition" beyond the scope of the example.

The instant application does not contain a "clear definition" for its key terms. Hence, the examiner has been obligated to give the claims their broadest reasonable interpretation within the limits given above.

As a consequence, the claims have been rejected as either taught by or obvious over the process of buying a home, as documented by Ring, a real estate principles and practices textbook published in 1972. We are dealing here with an art that is very old and very well known. One of ordinary skill in the art is the typical homebuyer.

The instant application does not mention home buying. However, It will be shown that that is how one of ordinary skill in the art, the typical homebuyer, would interpret the claims.

1.1 Section 102 Rejections

Appellant argues (p. 16, under "1.1."), "the Examiner's assertions with respect to the claimed subject matter of *reward* and *reward offer* are speculative and have no evidentiary basis." Appellant is referring to the para. 5 rejection of independent claims 77 and 81, where the examiner argues that the "reward" is the difference between the buyer's proposed price and the seller's (higher) asking price. The reward is the buyer getting the property at a discount from the seller's asking price. A penny saved is a penny earned. This is hardly a matter of speculation. Rather, it is a matter of claim language interpretation. The examiner's interpretation is as follows, with the evidentiary basis provided by appellant's own application.

Para. [0010] of the published application (US 20040039639A1) discloses, "In exchange for the information provided, the potential buyer is offered a reward, such as a gift or discount" (emphasis added). The same para. [0010] discloses that "the information" is a description of an item that the potential buyer intends to purchase.

The examiner accepts that a "reward" is something offered in exchange for a description of an item that the potential buyer intends to purchase. As explained in the rejection, the contract of sale is the description of an item that the potential buyer intends to purchase, and the discount from the seller's offering price is the reward received by the buyer for said information/contract of sale.

1.2 Section 103(a) Rejections

Appellant asserts (last sentence on p. 17), "contrary to law, the Examiner has inappropriately relied on mere assertions ... that are unsupported on any evidence of record" (end of last full para. on p. 16). Appellant's argument is not sound. The law does not require a rejection under 35 USC § 103(a) to be supported by evidence of record. "The rationale to modify or combine the prior art does not have to be expressly stated in the prior art; the rationale may be ... reasoned from knowledge generally available to one of ordinary skill in the art" (MPEP 2144). The typical homebuyer is one of ordinary skill in the art. Knowledge generally available to homebuyers is, under the law, admissible in support of a rejection under 35 USC § 103(a).

3. Section 102(b) – Ring

3.2 Claim 77

This is the broadest and key claim. Before addressing appellant's arguments, it is helpful to summarize the rejection of this claim limitation by limitation. The claim has five limitations:

First, *receiving an intent-to-purchase* is taught by Ring (pp. 71-73) as receiving a contract of sale.

Second, *determining a reward based on the intent data* is inherent when the contract price is determined, because the reward is the difference between the contract and (higher) asking price.

Third, *receiving a payment identifier of a financial account* is taught by Ring (pp. 76-77) in the form of a check for the amount of the deposit on contract/earnest money.

Fourth, *issuing the reward to the buyer* inherently occurs at closing when the buyer receives the property at a discount from the listing price, said discount being the reward.

Fifth, (optionally) *applying a penalty to the financial account of the potential buyer* occurs inherently when the seller keeps the potential buyer's deposit on contract/earnest money, if the buyer does not purchase the real estate item within a particular time period.

Appellant's first argument against the rejection of claim 77 is on pp. 23-24. Appellant argues that Ring does not teach both issuing a reward and applying a penalty. That is true, but irrelevant. The last limitation of claim 77 is optional. It applies only when the buyer does not purchase, and is therefore not an effective limitation. ("Claim scope is not limited by claim language that suggests or makes optional but does not require steps to be performed ..." (MPEP 2111.04))

Appellant also argues (bottom of pp. 24),

> "Ring does not hint that a lower accepted price is a "discount" or a "reward" for the seller. Nothing in the record suggests that such a "difference" would have ever been conceived of as a "reward" by one of ordinary skill in the art."

First, as has been noted above, appellant's own disclosure (para. [0010] of the published application, US 20040039639A1) defines a discount as a reward. Second, one of ordinary skill in the art, the average homebuyer, would recognize a reduction in listing price to be a discount from the listing price. That is the first meaning of "discount" in Merriam-Webster's collegiate dictionary (appendix to this examiner's answer). Hence, one of ordinary skill in the art would readily

understand that a lower accepted price is a discount, and appellant's specification discloses that a discount in price is a reward.

Appellant also argues (middle of p. 25),

> "... if the Examiner believes that the seller of real estate issues a "reward," the Examiner has not provided any hint of reasoning as to why a seller (who allegedly already had a higher asking price) would want to "reward" a buyer of a house with a lower price."

The answer is or course that the seller of real estate accepts a contract price less than their listing or asking price because they have to. The seller wants to sell the property and has given up hope of getting anyone to accept his or her listing/asking price.

3.3 Claim 78

At issue here is the following added limitation to claim 77:

> "78. The method of claim 77, further comprising the step of: calculating the penalty, wherein the calculation takes into account a value of the reward."

According to the rejection (para. 6), this limitation is inherent based on the examiner's interpretation of "reward" (the difference between the buyer's proposed price and the seller's (higher) asking price) and a teaching on p. 76 of Ring.

Appellant has two arguments. First (pp. 27-28), appellant repeats the argument against the examiner's interpretation of "reward". The examiner's answer to this point has already been given under "1.1" and "3.2" above.

Second, appellant argues (pp. 28-29) that the rejection is "illogical" because "the alleged difference is irrelevant to the earnest money calculation". Appellant has a point, but appellant's conclusion is not correct. Appellant has essentially illustrated that "k", the "proportionality constant" in the mathematical part of the rejection (p. A3 of the appendix to this examiner's answer), is in fact not constant. However, that is acknowledged by both the reference and the rejection in

stipulating that k is "typically 0.05-0.10". According to this stipulation, the ratio of penalty ***dep*** to reward ***rwd*** could vary by a factor of two.

Nonetheless, a variation, even by a factor of two, does not mean that the penalty ***dep*** is independent of or "irrelevant" to the reward ***rwd***. Appellant merely claims that the penalty calculation "takes into account" the reward. It has been shown in the rejection that penalty ***dep*** and the reward ***rwd*** are mathematically related, within certain limits, which reads on "takes into account".

3.4 Claim 81

Appellant does not appear to add any new arguments. This claim differs materially from clam 77 only in that the reward offer is determined as a function of one of three factors, including the degree of certainty with which the potential buyer intends to purchase the item. The last sentence of rejection para. 5 explains where that is taught by Ring. Appellant argues against this teaching at pp. 30-33, but the arguments are those used for claim 77.

3.5 Claim 82

Appellant does not add any new arguments. Claim 82 is similar to 78. The arguments and the examiner's answer are given above for claim 78.

4. Section 103(a) – Abecassis + Ring

Claims 89 and 90 are rejected at para. 11 of the Office action copied above. Appellant's argument against the rejection of claims 89 and 90 is on pp. 36-45 inclusive. The examiner finds no new arguments therein.

5. Section 103(a) – Ring

Claims 79, 80 and 83-88 are rejected at para. 7-10 inclusive of the Office action copied above. Appellant's argument against the rejection of these claims is on pp. 46-74 inclusive. The examiner finds no new arguments therein. Appellant again argues (top of p. 46 *et seq.*) that the rejection is not supported by any evidence made of record. The examiner's answer is given above, but it is worth repeating. The law does not require a rejection under 35 USC § 103(a) to be supported by evidence of record. "The rationale to modify or combine the prior art does not have to be

expressly stated in the prior art; the rationale may be ... reasoned from knowledge generally available to one of ordinary skill in the art" (MPEP 2144). The typical homebuyer is one of ordinary skill in the art. Knowledge generally available to homebuyers is, under the law, admissible in support of a rejection under 35 USC § 103(a).

For the above reasons, it is believed that the rejections should be sustained.

Respectfully submitted,

DONALD L. CHAMPAGNE
PRIMARY EXAMINER

Donald L. Champagne
Primary Examiner
Art Unit 3622

10 October 2006

Conferees:

Vincent Millin

Eric W. Stamber

Appendix

örter to comfort] (14c) 1 *archaic* : DISMAY 2 : to
ible or uneasy — **dis·com·fort·able** \-'kəm(p)-fər-tə-
-bəl\ *adj*
e) 1 *archaic* : DISTRESS, GRIEF 2 : mental or physical
OYANCE
dis-kə-'mend\ *vt* [ME *dyscòmmenden*] (15c) 1 : DIS-
OR 2 : to cause to be viewed unfavorably
dis-kə-'mōd\ *vt* **-mod·ed; -mod·ing** [MF *discom-*
commode convenient — more at COMMODE] (ca. 1721)
enience to : TROUBLE
s-kəm-'pōz\ *vt* [ME] (15c) 1 : to destroy the compo-
sture of — **dis·com·po·sure** \-'pō-zhər\ *n*
DISQUIET, DISTURB, PERTURB, AGITATE, UPSET, FLUSTER
capacity for collected thought or decisive action.
lies some degree of loss of self-control or self-
through emotional stress ⟨*discomposed* by the loss of
). DISQUIET suggests loss of sense of security or peace
quieting news of factories closing). DISTURB implies
one's mental processes caused by worry, perplexity,
the discrepancy in accounts *disturbed* me). PERTURB
iturbance of mind and emotions ⟨*perturbed* by her
e behavior⟩. AGITATE suggests obvious external signs
otional excitement ⟨in his *agitated* state we could see
work). UPSET implies the disturbance of normal or
ing by disappointment, distress, or grief ⟨the family's
g *upsets* the youngest child⟩. FLUSTER suggests bewil-
his declaration of love completely *flustered* her).
kən-'sərt\ *vt* [obs. F *disconcerter*, alter. of MF *descon-*
+ *concerter* to concert] (1687) 1 : to throw into
disturb the composure of *syn* see EMBARRASS —
adj — **dis·con·cert·ing·ly** \-tiŋ-lē\ *adv* — **dis·con-**
\ *n*
kən-'fərm\ *vt* (1936) : to deny the validity of
\dis-kən-'fȯr-mə-tē\ *n* (1587) 1 : NONCONFORMITY
equence of sedimentary rocks all of which have ap-
me dip
kə-'nekt\ *vt* (1770) : to sever the connection of or
: to terminate a connection 2 : to become detached
into dark moods⟩ — **dis·con·nec·tion** \-'nek-shən\
ll (1783) : not connected : SEPARATE; *also* : INCOHER-
ct·ed·ly *adv* — **dis·con·nect·ed·ness** *n*
is-'kän(t)-sə-lət\ *adj* [ME, fr. ML *disconsolatus*, fr. L
pp. of *consolari* to console] (14c) 1 : CHEERLESS ⟨a
s —D. H. Lawrence⟩ 2 : DEJECTED, DOWNCAST ⟨the
rom three losses⟩ — **dis·con·so·late·ly** *adv* — **dis-**
n — **dis·con·so·la·tion** \(,)dis-,kän(t)-sə-'lā-shən\ *n*
kən-'tent\ *adj* (15c) : DISCONTENTED
49) : to make discontented — **dis·con·tent·ment**
1) : lack of contentment: a : a sense of grievance
⟨the winter of our ~ —Shak.⟩ b : restless aspira-
nt
6) : one who is discontented : MALCONTENT
ll (1525) : DISSATISFIED, MALCONTENT — **dis·con-**
dis·con·tent·ed·ness *n*
\,dis-kən-'tin-yə-wən(t)s\ *n* (14c) 1 : the act or an
nuing 2 : the interruption or termination of a legal
iff's not continuing it
s-kən-'tin-(,)yü, -yə(-w)\ *vb* [ME, fr. MF *discon-*
ontinuare, fr. L *dis-* + *continuare* to continue] *vt*
the continuity of : cease to operate, administer, use,
2 : to abandon or terminate by a legal discontinu-
ue to an end *syn* see STOP — **dis·con·tin·u·a·tion**
ən\ *n*
(,)dis-,kän-tə-'nü-ə-tē, -'nyü-\ *n* (1570) 1 : lack of
ion 2 : GAP 5 3 a : the property of being not
ntinuous ⟨a point of ~⟩ b : an instance of being
continuous; *esp* : a value of an independent vari-
tion is not continuous
,dis-kən-'tin-yə-wəs\ *adj* (1718) 1 a (1) : not
ries of events⟩ (2) : not continued : DISCRETE ⟨~
b : lacking sequence or coherence 2 : having one
cal discontinuities — used of a variable or a func-
-u·ous·ly *adv*
>-ffl\ *n* (1940) : one who studies and collects pho-
l\ *n* (13c) 1 a : lack of agreement or harmony (as
hings, or ideas) b : active quarreling or conflict
ord among persons or factions : STRIFE 2 a (1)
musical sounds that strikes the ear harshly (2)
harsh or unpleasant sound
IFE, CONFLICT, CONTENTION, DISSENSION, VARIANCE
dition marked by a lack of agreement or harmony.
intrinsic or essential lack of harmony producing
sness, or antagonism ⟨a political party long racked
emphasizes a struggle for superiority rather than
incompatibility of the persons or things involved
ign the empire was never free of civil *strife*). CON-
he action of forces in opposition but in static appli-
irreconcilability as of duties or desires ⟨the *conflict*

dis·cor·dant \-d³nt\ *adj* (14c) 1 a : being at variance : DISAGREEING b : QUARRELSOME 2 : relating to a discord — **dis·cor·dant·ly** *adv*
dis·co·theque *or* **discothèque** \'dis-kə-,tek, ,dis-kə-'\ *n* [F *discothèque*, fr. *disque* disk, record + *-o-* + *-thèque* (as in *bibliothèque* library)] (1954) : DISCO 1
[1]dis·count \'dis-,kaunt\ *n* (1622) 1 : a reduction made from the gross amount or value of something: as a (1) : a reduction made from a regular or list price (2) : a proportionate deduction from a debt account usu. made for cash or prompt payment b : a deduction made for interest in advancing money upon or purchasing a bill or note not due 2 : the act or practice of discounting 3 : a deduction taken or allowance made
[2]dis·count \'dis-,kaunt, dis-'\ *vb* [modif. of F *décompter*, fr. OF *desconter*, fr. ML *discomputare*, fr. L *dis-* + *computare* to count — more at COUNT] *vt* (1629) 1 a : to make a deduction from usu. for cash or prompt payment b : to sell or offer for sale at a discount 2 : to lend money on after deducting the discount 3 a : to leave out of account : DISREGARD b : to minimize the importance of c (1) : to make allowance for bias or exaggeration in (2) : to view with doubt d : to take into account (as a future event) in present calculations ~ *vi* : to give or make discounts — **dis·count·er** \-,kaun-tər, -'kaun-\ *n*
[3]dis·count \'dis-,kaunt\ *adj* (1889) 1 a : selling goods or services at a discount ⟨~ stores⟩ ⟨a ~ broker⟩ ⟨~ airlines⟩ b : offered or sold at a discount 2 : reflecting a discount ⟨~ prices⟩
dis·count·able \dis-'kaun-tə-bəl, 'dis-,\ *adj* (1800) 1 : set apart for discounting ⟨within the ~ period⟩ 2 : subject to being discounted ⟨a ~ note⟩
[1]dis·coun·te·nance \dis-'kaun-t³n-ən(t)s, -'kaunt-nən(t)s\ *vt* (1580) 1 : ABASH, DISCONCERT 2 : to look with disfavor on : discourage by evidence of disapproval
[2]discountenance *n* (1580) : DISAPPROBATION, DISFAVOR
discount rate *n* (ca. 1927) 1 : the interest on an annual basis deducted in advance on a loan 2 : the charge levied by a central bank for advances and rediscounts
dis·cour·age \dis-'kər-ij, -'kə-rij\ *vt* **-aged; -ag·ing** [ME *discoragen*, fr. MF *descorager*, fr. OF *descoragier*, fr. *des-* dis- + *corage* courage] (15c) 1 : to deprive of courage or confidence : DISHEARTEN 2 a : to hinder by disfavoring b : to attempt to dissuade — **dis·cour·age·able** \-jə-bəl\ *adj* — **dis·cour·ag·er** *n* — **dis·cour·ag·ing·ly** \-jiŋ-lē\ *adv*
dis·cour·age·ment \-mənt\ *n* (1561) 1 : the act of discouraging : the state of being discouraged 2 : something that discourages
[1]dis·course \'dis-,kōrs, -,kȯrs, dis-'\ *n* [ME *discours*, fr. ML & LL *discursus*; ML, argument, fr. LL, conversation, fr. L, act of running about, fr. *discurrere* to run about, fr. *dis-* + *currere* to run — more at CAR] (14c) 1 *archaic* : the capacity of orderly thought or procedure : RATIONALITY 2 : verbal interchange of ideas; *esp* : CONVERSATION 3 a : formal and orderly and usu. extended expression of thought on a subject b : connected speech or writing c : a linguistic unit (as a conversation or a story) larger than a sentence 4 *obs* : social familiarity
[2]dis·course \dis-'kōrs, -'kȯrs, 'dis-,\ *vb* **dis·coursed; dis·cours·ing** *vi* (1559) 1 : to express oneself esp. in oral discourse 2 : TALK, CONVERSE ~ *vt, archaic* : to give forth : UTTER — **dis·cours·er** *n*
discourse analysis *n* (1952) : the study of linguistic relations and structures in discourse
dis·cour·te·ous \(,)dis-'kər-tē-əs\ *adj* (1578) : lacking courtesy : RUDE — **dis·cour·te·ous·ly** *adv* — **dis·cour·te·ous·ness** *n*
dis·cour·te·sy \-'kər-tə-sē\ *n* (1555) 1 : RUDENESS 2 : a rude act
dis·cov·er \dis-'kə-vər\ *vb* **dis·cov·ered; dis·cov·er·ing** \-'kə-v(ə-)riŋ\ [ME, fr. MF *descovrir*, fr. LL *discooperire*, fr. L *dis-* + *cooperire* to cover — more at COVER] *vt* (14c) 1 a : to make known or visible : EXPOSE b *archaic* : DISPLAY 2 a : to obtain sight or knowledge of for the first time : FIND ⟨~ the solution⟩ b : FIND OUT ⟨~*ed* he was out of gas⟩ ~ *vi* : to make a discovery — **dis·cov·er·able** \-'kə-v(ə-)rə-bəl\ *adj* — **dis·cov·er·er** \-ər-ər\ *n*
syn DISCOVER, ASCERTAIN, DETERMINE, UNEARTH, LEARN mean to find out what one did not previously know. DISCOVER may apply to something requiring exploration or investigation or to a chance encounter ⟨*discovered* the source of the river⟩. ASCERTAIN implies effort to find the facts or the truth proceeding from awareness of ignorance or uncertainty ⟨attempts to *ascertain* the population of the region⟩. DETERMINE emphasizes the intent to establish the facts definitely or precisely ⟨unable to *determine* the origin of the word⟩. UNEARTH implies bringing to light something forgotten or hidden ⟨*unearth* old records⟩. LEARN may imply acquiring knowledge with little effort or conscious intention (as by simply being told) or it may imply study and practice ⟨I *learned* her name only today⟩ ⟨*learning* Greek⟩.
dis·cov·ery \dis-'kə-v(ə-)rē\ *n, pl* **-er·ies** (1539) 1 a : the act or process of discovering b (1) *archaic* : DISCLOSURE (2) *obs* : DISPLAY c *obs* : EXPLORATION 2 : something discovered 3 : the usu. pretrial disclosure of pertinent facts or documents by one or both parties to a legal action or proceeding
Discovery Day *n* (ca. 1913) : COLUMBUS DAY
[1]dis·cred·it \(,)dis-'kre-dət\ *vt* (1559) 1 : to refuse to accept as true or accurate : DISBELIEVE 2 : to cause disbelief in the accuracy or authority of 3 : to deprive of good repute : DISGRACE
[2]discredit *n* (1565) 1 : loss of credit or reputation ⟨I knew stories to the ~ of England —W. B. Yeats⟩ 2 : lack or loss of belief or confidence : DOUBT ⟨contradictions cast ~ on his testimony⟩

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A2

Appendix - Proof that the Penalty is Dependent on the Reward

Mathematically, it is to be proven that

$$dep = f(rwd),$$

where

dep: the earnest money deposit, the penalty, and

rwd: the reward.

Ring (p. 76 teaches)

$$dep = k(p_C) \tag{1}$$

where

k: a proportionality constant, typically 0.05-0.10 according to Ring, and

p_C: the contract price.

Now, by definition,

$$rwd = (p_L - p_C) \tag{2}$$

where

p_L: the listing or asking price.

By transposing (2),

$$p_C = p_L - rwd \tag{3}$$

Then substitute (3) for p_C in (1) to produce the result

$$dep = k(p_L - rwd)$$

Q.E.D.

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